

This job aid provides guidance for Health Plan Administrators (HPAs), who work with Health Coverage Tax Credit (HCTC) Finance & Accounting (F&A) representatives, when returning funds to the HCTC Program. The Internal Revenue Service (IRS) requires all HPAs returning funds to the HCTC Program to follow the standard procedures outlined below. Following these procedures will reduce the number of HCTC calls to the HPA for additional information, and will ensure that the HCTC Program credits funds to the appropriate HCTC account.

When Do HPAs Return Funds to the HCTC Program?

HPAs return funds to the HCTC Program for several reasons, such as:

- Member's coverage ended or was cancelled
- Member's HCTC eligibility changed
- Member's premium amount or HPA changed
- Incorrect HPA was paid

How Do HPAs Return Funds to the HCTC Program?

HPAs should follow the steps below to ensure the HCTC Program applies the returned funds to the appropriate HCTC account:

- ☐ Contact your HCTC F&A representative to inform them of any pending return. You will need to provide:
 - Member name
 - Policy Holder Social Security Number (SSN)
 - Reason for return (in order to process funds appropriately and make any necessary corrections to the HPA's account and/or the individual's account)
 - Calculation of returned funds amount
- ☐ The HCTC F&A representative will document all information provided, and instruct you to fill out the **Return of Funds Form** located in the Appendix of the HCTC Health Plan Administrator Operations Guide. The Guide covers all procedures for HPAs and is available at www.irs.gov (Keyword/Search: HCTC).
- ☐ Fill out the Return of Funds Form in its entirety and send the completed form to your HCTC F&A representative. A form must accompany all returned funds to ensure proper handling.
- ☐ Returned funds can be sent to the HCTC Program via:
 - Reversal of an Electronic Funds Transfer (EFT) transaction
 - Return of a U.S. Department of Treasury issued check
 - Submission of an HPA issued check to the U.S. Bank lockbox clearly marked with the account number 100000000 (1 followed by 8 0s) and made payable to US Treasury - HCTC

How Do HPAs Return Funds for Multiple Individuals?

HPAs can return funds for multiple individuals using either of the following methods:

- Separate checks and completed forms for each member (*e.g., 20 individuals require 20 separate checks and 20 completed Return of Funds Forms*), or
- One bulk check, accompanied by a detailed list, is also acceptable. The detailed list must include the following information for each individual to ensure funds are applied correctly: member name; policy holder SSN; reason for return; and, calculation of returned funds amount.

For more information on HPA procedures, read the HCTC Health Plan Administrator Operations Guide at www.irs.gov (Keyword/Search: HCTC).